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MEMBERSHIP

July 7, 2022

For Immediate Release

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Representative Director
(Tokyo Stock Exchange, Prime Market:1375)
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Controlling Shareholders

Yukiguni Maitake Co., Ltd. (the “Company”) hereby announces the matters on concerning controlling shareholders as followings regarding our parent company, SHINMEI HOLDINGS CO., LTD. (“SHINMEI HD”).

1. Trade name, etc. of the parent company, controlling shareholder (excluding the parent company), other affiliated company, or parent company of other affiliated company

(As of March 31, 2022)

Name	Attributes	Percentage of voting rights held (%)			The financial instruments exchange, etc. on which the issued shares are listed
		Direct ownership	To be combined	Total	
SHINMEI HOLDINGS CO.,LTD.	Parent Company	50.08	—	50.08	—

2. Position of the Company in the corporate group of the parent company, etc. and relationships between the Company and the parent company, etc.

- ① Position of the Company in the corporate group of the parent company, etc., capital relationship, personal relationship, etc.

SHINMEI HD group aims to build a "food value chain from upstream to downstream" based on its rice wholesale business and moreover, has positioned expansion into the food manufacturing industry as one of its growth strategies. Our company group play a role in its growth strategies.

SHINMEI HD is the parent company of the Company, holding 50.08% of the Company's voting rights as of March 31, 2022. The Company has invited Mitsuo Fujio, director, from SHINMEI HD, and has accepted one seconded employee from SHINMEI HD as an employee of the sales department. In addition, the Company sells the Company's products to SHINMEI HD group companies.

- ② Business restrictions, risks and benefits of belonging to the corporate group of the parent company, etc.

Currently, there are no other companies in the SHINMEI HD group engaged in the production and sale of mushrooms or similar businesses other than our company group, and thus there is no business competition between our company group and other SHINMEI HD group companies.

In addition, synergies are expected between our company group and other SHINMEI HD group companies in the form of the use of the SHINMEI HD group's network when we expand sales in western Japan, where consumption of maitake mushrooms has been low, the development of products combining rice and mushrooms and their deployment in retail stores and food service chains, and the promotion of cross-selling of products of both companies mainly to mass retailers in wide areas. We believe that the Company and SHINMEI HD can improve their respective corporate values through their collaboration.

③ Concept and Status of Securing a Certain Level of Independence from the Parent Company, etc.

There are no matters concerning SHINMEI HD's management of its affiliated companies that require the prior approval of SHINMEI HD for the Company.

In addition, it is our policy that dispatch of executives and employees from SHINMEI HD to the Company and various business transactions will be carried out based on the management judgment of each company to the extent that there is no problem from the viewpoint of protecting minority shareholders, and to the extent that it is deemed inevitable and economically rational.

On the Company side as well, in order to ensure that SHINMEI HD's management independence is not impeded by its group management control, the Company has taken measures such as securing independent directors and establishing a voluntary Nomination and Compensation Committee in which independent directors constitute the majority of members.

Also, various business transactions with SHINMEI HD group are conducted in accordance with the "Related Party Transaction Management Rules," and existing transactions with SHINMEI HD group are also conducted after a resolution of the Board of Directors of the Company.

3. Transactions with Controlling Shareholders, etc.

In the current consolidated fiscal year (April 1, 2021-March 31, 2022), the major business transactions between our company group and SHINMEI HD group were sales transactions of our products, acceptance of seconded employees, etc. However, since these transactions were immaterial in terms of value, they are not included in the financial statements or consolidated financial statements.

4. Status of implementation of measures to protect minority shareholders in transactions, etc. with controlling shareholders

With respect to important transactions and actions with SHINMEI HD, the controlling shareholder, a special committee composed of independent outside directors discusses and examines the details of the transaction, confirms the appropriateness of the ongoing transaction, and reports back to the Board of Directors.

The Board of Directors receives the report and implements the resolution at a meeting of the Board of Directors in which independent outside directors also participate.

In addition, when conducting transactions with SHINMEI HD group, prior approval by the Board of Directors, in which independent outside directors also participate, is assumed in accordance with the Company's Related Party Transaction Management Rules.

The Board of Directors deliberates on business necessity and appropriateness of terms and conditions from the viewpoint of contribution to the Company's corporate value, and considers the pros and cons of implementing transactions on the premise of protecting minority shareholders.

(end)